

SENATE BILL No. 488

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1; IC 20-28-4-5.

Synopsis: Tax credits for certain teachers. Grants a refundable income tax credit to a certified teacher who pursues a course in science, technology, engineering, health, or mathematics at an accredited college or university. Grants a refundable income tax credit to a certified teacher for teaching or preparing to teach a science or mathematics course. Provides that the amount of the credit for teaching or preparing to teach a science or mathematics course is determined by calculating the percentage of hours spent teaching or preparing to teach a science or mathematics course versus the number of hours spent teaching or preparing to teach all courses. Provides that a college graduate with a degree in the area of mathematics or science, and at least a 2.5 grade point average on a 4.0 scale in those areas, may participate in the transition to teaching program, so long as the graduate goes on to teach in the area of mathematics or science.

Effective: July 1, 2007; January 1, 2008.

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January 18, 2007, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE BILL No. 488

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-31 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2008]:

4 **Chapter 31. Math and Science Teacher Continuing Education**
5 **Tax Credit**

6 **Sec. 1. As used in this chapter, "eligible course" means a course,**
7 **or the equivalent of a course, that is:**

8 (1) part of a curriculum at an accredited college or university
9 in engineering, mathematics, health, or the physical or
10 biological sciences; and

11 (2) designed to prepare a student to work as a technician and
12 at a semiprofessional level in engineering, scientific, or other
13 technological fields that require the understanding and
14 application of basic engineering, scientific, health, or
15 mathematical principles or knowledge. The term does not
16 include a general health course.

17 **Sec. 2. As used in this chapter, "eligible taxpayer" means an**

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individual who is a teacher licensed by the state under IC 20-28-4 or IC 20-28-5.

Sec. 3. As used in this chapter, "state income tax liability" means an individual's adjusted gross income tax liability under IC 6-3.

Sec. 4. As used in this chapter, "tuition and fees" means:

- (1) tuition charged;
- (2) fees regularly assessed; and
- (3) textbooks or materials required;

for a course of study at an accredited college or university.

Sec. 5. (a) An eligible taxpayer is entitled to a refundable credit against the eligible taxpayer's state income tax liability for the taxable year in which the eligible taxpayer pays tuition and fees for an eligible course. The amount of the tax credit is equal to the amount of tuition and fees paid by the eligible taxpayer during the taxable year for an eligible course.

(b) If the amount of the credit under this chapter exceeds the eligible taxpayer's state tax liability for the taxable year, the excess shall be refunded to the eligible taxpayer.

Sec. 6. To receive a credit under this chapter, an eligible taxpayer must:

- (1) claim the credit on the eligible taxpayer's annual state tax return or returns in the manner prescribed by the department; and
- (2) submit to the department all information that the department determines is necessary for the calculation of the credit.

Sec. 7. The department may adopt rules under IC 4-22-2 to carry out this chapter.

SECTION 2. IC 6-3.1-32 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]:

Chapter 32. Mathematics and Science Teaching Time Tax Credit

Sec. 1. As used in this chapter, "eligible course" means a high school course of study that:

- (1) is in the area of science, technology, engineering, or mathematics; and
- (2) qualifies for credit under a CORE 40 curriculum.

Sec. 2. As used in this chapter, "eligible taxpayer" means an individual who is:

- (1) a teacher licensed by the state under IC 20-28-4 or

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1 IC 20-28-5; and

2 (2) teaching an eligible course.

3 Sec. 3. As used in this chapter, "state income tax liability"
4 means an individual's adjusted gross income tax liability under
5 IC 6-3.

6 Sec. 4. (a) For purposes of this subsection, "regular school day"
7 means the school day of the school which employed the eligible
8 taxpayer during the taxable year for which the eligible taxpayer is
9 claiming a deduction under this section.

10 (b) An eligible taxpayer is entitled to a refundable credit against
11 the eligible taxpayer's state income tax liability for each taxable
12 year in which the eligible taxpayer teaches an eligible course.

13 (c) As used in this section, "taxable year" means the year for
14 which a credit under this section is being claimed. The amount of
15 the tax credit provided in subsection (b) is equal to the amount
16 determined under STEP SEVEN of the following formula:

17 STEP ONE: Determine the product of the number of regular
18 school days in the taxable year multiplied by the number of
19 hours in a regular school day.

20 STEP TWO: Determine the total number of hours in the
21 taxable year the eligible taxpayer spent during regular school
22 days preparing for or instructing any course.

23 STEP THREE: Determine the total number of hours in the
24 taxable year the eligible taxpayer spent during a regular
25 school day preparing for or instructing an eligible course.

26 STEP FOUR: Divide the number determined under STEP
27 TWO by the number determined under STEP ONE.

28 STEP FIVE: Divide the number determined under STEP
29 THREE by the number determined under STEP TWO.

30 STEP SIX: Multiply the result of STEP FOUR by one
31 thousand dollars (\$1,000).

32 STEP SEVEN: Multiply the dollar amount determined under
33 STEP SIX by the result of STEP FIVE.

34 (d) If the amount of the credit under this chapter exceeds the
35 eligible taxpayer's state tax liability for the taxable year, the excess
36 shall be refunded to the eligible taxpayer.

37 Sec. 5. To receive a credit under this chapter, an eligible
38 taxpayer must:

39 (1) claim the credit on the eligible taxpayer's annual state tax
40 return or returns in the manner prescribed by the
41 department; and

42 (2) submit to the department all information that the

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department determines is necessary for the calculation of the credit.

Sec. 6. The department may adopt rules under IC 4-22-2 to carry out this chapter.

SECTION 3. IC 20-28-4-5, AS ADDED BY P.L.1-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. An individual who wishes to participate in the program must have one (1) of the following qualifications:

(1) For a program participant who seeks to obtain a license to teach in grades 6 through 12, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of at least three (3.0) on a four (4.0) point scale from an accredited institution of higher education in the subject area that the individual intends to teach.

(B) A graduate degree from an accredited institution of higher education in the subject area that the individual intends to teach.

(C) A bachelor's degree or the equivalent with a grade point average of at least 2.5 on a 4.0 scale from an accredited institution of higher education in the subject area of mathematics or science, so long as the program participant teaches in the subject area of mathematics or science upon completion of the program.

~~(D)~~ (D) Both:

- (i) a bachelor's degree from an accredited institution of higher education with a grade point average of at least two and five-tenths (2.5) on a four (4.0) point scale; and
- (ii) five (5) years professional experience;

in the subject area that the individual intends to teach.

(2) For a program participant who seeks to obtain a license to teach in kindergarten through grade 5, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of at least three (3.0) on a four (4.0) point scale from an accredited institution of higher education.

(B) Both:

- (i) a bachelor's degree from an accredited institution of higher education with a grade point average of at least two and five-tenths (2.5) on a four (4.0) point scale; and
- (ii) five (5) years professional experience in an education related field.

SECTION 4. [EFFECTIVE JANUARY 1, 2008] **IC 6-3.1-31 and IC 6-3.1-32, both as added by this act, apply only to taxable years**

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1 **beginning after December 31, 2007.**

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